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To: john.molner@bbh.com
cc:
Subject: ALEPH by Hollingsworth, Mayer, Rothwell & Roxford - Strictly Confidential

Strictly Confidential
to John Molner, Partner
Brown Brothers Harriman

ALEPH: January 22, 2003

Hollingsworth, Mayer, Rothwell & Roxford (HMR&R) is a very private partnership that finds undervalued companies in stock markets around the world and puts together confidential mergers and acquisitions.

Hugh Hollingsworth has lived and worked all over the world in such areas as California, Florida, Southeast Asia, and Japan. Hugh has been involved in many confidential matters, has worked in the aerospace defence industry, and he speaks Japanese.

Judson Mayer has lived and worked in India, France, California, and Florida, and has been involved in the arts, sacred geometry, major textile and garment companies, and confidential matters dealing with mergers and acquisitions.

Kenneth Rothwell has lived and worked all over the world in many parts of Southeast Asia, the United Kingdom, the Persian Gulf, California, and Florida, and has been involved in confidential matters his entire life. He has recently retired from years of service in the aerospace defence industry, and currently devotes himself mainly to the area of mergers and acquisitions.

Theodore Roxford has lived and worked in London, United Kingdom, where he formed a huge well known network of merger and acquisition clients such as Kohlberg, Kravis, Roberts (KKR), Texas Pacific Partners, Gold Fields Limited, Guinness Peat Group, Asher Edelman, Leucadia National, Anglo American, CVRD, Franklin Mutual Series, and many others. He has worked in the confidential world of mergers and acquisitions for over 23 years, and has lived and worked in Europe, Canada, and in the U.S.A.

The partners of Hollingsworth, Mayer, Rothwell & Roxford have been very close for over 20 years and have a great deal of very private history together. Although the partners have worked alone and together on deals on and off for years, they are now retired from all other activities and concentrate solely on mergers and acquisitions.

Background of our ALEPH deal:

On November 4, 2002 we found a very undervalued company that trades on the New York Stock Exchange called Zapata, symbol ZAP. The stock was trading at $22 a share at the time that we evaluated it,

and based on our work, we felt that it was worth over $75 a share, based on its very liquid assets. We brought the Zapata deal to one of our clients who thought it was a terrific deal, and he was on the verge of buying stock and options in it and making a bid for the Company, when on December 9, 2002 - less than 5 weeks after we found it, - another group, who did not even identify themselves, and who admitted that they had no financing, made a bear hug offer for Zapata at $35 a share. The stock immediately went up to $33.90 a share, and on January 9, 2003 the stock went as high as $39.60 a share, and today it trades at around $36 a share. So in 2 months time an undervalued stock that we found and were ready to put into play, went up 80% in value in one of the worst environments for the stock market. If we had not waited a month for our client to buy stock and options and make an offer for Zapata, and instead, we had bought stock and options in it and made an offer for it ourselves, our profits would have been many times our original small investment - and that would have been without our even having acquired the whole Company. Had we been able to acquire the whole Company, our profit would have been nearly $100 million in less than 6 months. After this experience we decided that the next time we found a very undervalued company, we would not wait for others to do the deal, but we should do the deal ourselves. And what Zapata has proven is that anyone with a little money, courage, and wherewithal, can buy stock in an undervalued company, make a public bear hug offer, and watch the stock go way up in value. That is what we will be concentrating on from here on in.

Over the years and behind the scenes we have found, evaluated, and identified for our clients more than 2 dozen undervalued companies - all of which were either taken over by other companies, merged into other companies, restructed, or are on the verge of being restructed or spinning off undervalued assets. Some of those companies include Getty Oil, Ranchers Exploration, Gulf Oil, Lonrho, Newmont Mining, Homestake, Placer Dome, Lac Minerals, Canadian Pacific, Handy and Harman, Gulf and Western, MCA, Bond Gold, Stop & Shop, Degussa, Inco Gold, Atlas Corporation, Pine Point Corporation, Western Air, Texas Air, ICN Pharmaceutical, Bindley Western, Roberts Pharmaceutical, Anglo American, MIM, and many others. In every case, huge profits were made by all of the shareholders. Now it is time for the originators of undervalued deals and their partners to make huge profits, and we have found a way to achieve this at a cost of only a litle more than 1/20th of 1% of the total value of the acquisition.

This deal only requires a loan of $22 million, and the profit potential in less than 3 months time is close to $100 million.

ALEPH and what $22 million buys:

(All figures are in US$s and converted at 120 yen)

Despite the fact that ALEPH is one of the world's largest conglomerates, this deal is one of the easiest deals to succeed in profit wise and time wise, with very little investment required, for a huge profit potential. The risk of investing in ALEPH and not making a huge profit using our very confidential strategy for mergers and acquisitions, is close to zero. It would be zero if we did not have to take into account terrorist risks and war with Iraq.

ALEPH is a Japanese conglomerate with a current market value of US$39 billion, and US$9.1 billion of total debt, giving it a total enterprise value of US$48.1 billion. Out of that amount, however, US$43.1 billion of it is in the form of "liquid assets", consisting of cash, cash equivalents, time deposits, marketable securities, investments, stocks, bonds, liquid real estate, and other short term assets. That means that the market is valuing all of the businesses of ALEPH at only US$5 billion.

For only US$5 billion, this is what you get:

A major worldwide electronic business with over $44 billion in annual sales, $2.75 billion in annual EBITDA, and a book value of $27 billion. These businesses consist of the development, design, manufacture, and sales of televisons, audio, video, semiconductors, components, computers, information and communication, mobile, and hundreds of others.

A major worldwide life insurance and non-life insurance company with over $4.3 billion in annual sales, $500 million in annual EBITDA, and a book value of $21 billion.

A major worldwide company in the development, production, manufacturing, marketing, and the distribution of games, consoles, and other home use entertainment hardware and related software, with over $8.3 billion in annual sales, $1.1 billion in annual EBITDA, and a book value of $6 billion.

A major worldwide company in the development, production, manufacturing, marketing, and distribution of recorded music, with over $5.3 billion in annual sales, $375 million in annual EBITDA, and a book value of $6.2 billion.

A major worldwide company in motion picture production, television programming, syndication, production, home video, digital, broadcasting, operations, acquisition and distribution of studio facilities, with over $5.3 billion in annual sales, $350 million in annual EBITDA, and a book value of $8 billion.

"Other" businesses ranging from advertising, banks, credit, leasing, financing, chemicals, travel, other telecommunication, communication networks, trading, circuit cards, publishing, printing, construction, transportation, sporting facilities, petroleum and coal products, metal industrial products, textile products, toys, food stuff, mobile, Internet, and

several other businesses, with over $3 billion in annual sales and a book value of $1.5 billion. Many of these businesses are newly formed over the past few years, so their potential for growth in the future is very compelling.

ALEPH is a Japanese conglomerate, and in Japan to borrow money for financing, interest rates are less than 1%. In addition, just as the U.S. in the early to mid 1980s used to have very favorable laws and terms regarding what assets could be put up as collateral for financing bids, Japan still allows purchasers of companies and businesses to use the liquid assets of those companies and businesses as part of the equity for the bids that one offers. What that means for our ALEPH deal is that even though the Company currently has a market value of $39 billion (plus $9.1 billion of total debt), because its liquid assets add up to $43.1 billion, we could actually use the $43.1 billion in liquid assets as equity for our bid. So instead of the Company having a market value of $39 billion plus debt, once you subtract the $43.1 billion of liquid assets, the net purchase price of ALEPH actually becomes very minor - compared to the businesses we would be making an offer for.

Values of ALEPH:

Cash and cash equivalents:	$ 6.8 billion
Stocks, bonds, short term:	$10.4 billion
Marketable securities:	$14.2 billion
Liquidable real estate: (owns real estate in dozens of countries)	$11.7 billion
Total liquid assets:	$43.1 billion

Electronic business:	$28 billion *
Insurance businesses:	$ 8 billion *
Games, console businesses:	$ 9 billion *
Music businesses:	$ 7 billion *
Motion picture businesses:	$ 8 billion *
Other businesses:	$ 1.5 billion *
Total businesses values:	$62.5 billion *
Total debt:	minus ($ 9.1 billion)
ALEPH's net asset value:	$96.5 billion
Total shares outstanding:	920 million
ALEPH's net asset value per share:	$104.89
ALEPH's current share price:	$ 42.54

* (All values of ALEPH's businesses are based on very conservative price comparisons of sales, EBITDA, and book values of similar businesses of ALEPH's competitors, purchase and sale prices of other businesses and companies over the past few years, and what these busineses and companies are valued in the market at today. Most of the values

for ALEPH's businesses are based on 1 to 1 1/2 times book values and sales - which are half of what ALEPH's competitors are all valued at, and half of the EBITDA of what ALEPH's competitors EBITDA's are. But we also took into account if these businesses were to be sold separately from one another to various bidders, and/or spun off in the market as separate stocks. For instance, with the insurance companies, most of them had no EBITDA, and they were valued in the market at 1 1/2 to 2 times book value, and 2 to 5 (or more) times sales, compared to ALEPH which had $500 million in EBITDA, and we valued it at less than half of its book value, and only at 2 times sales. With the electronics companies, most of them were valued in the market at 1 1/2 to 2 times book value, 1 times sales, and 15 to 20 times EBITDA, compared to ALEPH which we valued at 1 times book value, 2/3rds or around 65% of sales, and 10 times EBITDA. The values we placed on ALEPH's games, music, and motion picture businesses were based on half of the values used by similar companies in those same businesses, such as 1 times book value for ALEPH compared to 2 times book value for its competitors. For ALEPH's "other" businesses, we valued them at 1 times book value as well.) We also took into account the free cash flow of each of the parts of ALEPH's many businesses.

Strategy & Business Plan for ALEPH:

The problem with most "unsolicited" deals are that they become too expensive to finance. This deal is the complete opposite of that - because of the laws for financing in Japan and the very low interest rates over there.

Our strategy for ALEPH is to acquire as much stock and options in the market as we can buy without moving the stock up more than a few dollars at the most, and acquire options on shares of some of the large U.S. shareholders interests. This we are currently putting together.

What we need to succeed in this deal is $22 million as soon as possible. That will allow us to buy 1 million shares in the market. The stock trades an average of 300,000 shares a day, so it will be very easy to acquire these shares within 3 or 4 days without even moving the market up at all. The options we will buy on our own and spread them out over various different strike prices and time periods. In total, all of the buying of shares and options should only take 2 weeks at the most. Once we have acquired 1 millicn shares, all of the options we can in the market, and acquired options on several million additional shares from other shareholders, our strategy will be as follows:

1. We will send a very public bear hug letter to the Board of ALEPH pointing out the values of ALEPH, and the fact that in Japan an acquirer can use the Target Company's liquid assets as equity for financing, and that interest rates

in Japan are less than 1% to borrow money, and that we are offering $90 a share for ALL of ALEPH, and that we will be preselling assets for letters of financing, and using ALEPH's liquid assets for additional equity. We will make our offer contingent on receiving Board approval and 90% of the Company's stock.

2. The stock of ALEPH will go through the roof on the news of our offer, as the market will start to visualize what a breakup of ALEPH's assets could be valued at. The conclusion will be that the Company is worth MORE than $90 a share, and speculation will grow that other bidders - perhaps in the form of partnerships will form - to top our bid. All of the large investment banking firms will not be able to stand aside and do nothing as this huge very public deal unfolds.

3. Partnerships such as Viacom and Siemens may form, as well News Corporation and Koninklike, several LBO firms, and many others, who will circle around the Target Company like vultures, although some may even come forward and offer to be ALEPH's "white knight".

4. The Board of ALEPH will immediately reject our offer, and give various reasons why, and will ask the same question that everyone else will be asking: "Who are these guys - Hollingsworth, Mayer, Rothwell & Roxford?" That question will be asked all over the place and they will get no answer - because the answer is irrelevant anyway. The only thing that is relevant here is the fact that we would have caused the stock of ALEPH to rise very substantially and very quickly by bringing out the values of the Company in a very public manner to the markets around the world.

5. But the fact remains that ALEPH is extremely financiable, because of the very positive financing terms and laws available in Japan, because of the low interest rates, and because of the assets and very low debt of the Company, most of which is unsecured debt.

6. In the end - within a few months at the most from the day that we borrow the $22 million we need to succeed with the deal - either the management will take itself private with a few close partners, the Board will authorize spin offs and separations of assets (much like what Canadian Pacific finally did after years of doing nothing for shareholders), so that each separate part and spin off will bring out more value for shareholders, or another party will come along and top everyone elses' bid, and buy ALEPH using stock or a combination of stock of their company and their partner's company stock.

7. We will never be able to acquire ALEPH because everyone will top our bid - and there will be several other bidders for certain - as soon as we put the Company into play, as no one will

be able to resist the idea of possibly having a chance to acquire so many "crown jewel" assets. All of the major investment banking firms will jump on the bandwagon and the markets will go up on the news because this is just what the markets need to get a huge boost in interest. And because ALEPH is a worldwide household name in North America, Europe, and Asia, ALL of the major investment banking firms will see this as a huge opportunity to finally make a lot of money in fees.

8. As for Hollingsworth, Mayer, Rothwell & Roxford, and whoever is our investment banker who lends us the $22 million: we will all share in the profits equally, and the profits will be close to $100 million in less than 3 months - as we will be selling our stock and options. We will pay back the $22 million loan back immediately to our lender, and our lender will also receive 20% of all of the total profits from the deal.

We are looking for $22 million to buy 1 million shares in ALEPH and put the deal together as soon as possible. There is no risk to a lender (other than the risk of terrorism and/or war), because the assets of the Company are such high quality and well known and the stock is so undervalued. All of the stock and options we buy will remain with the lender at all times, so the $22 million we borrow will not even leave the lender's sight. In essence what we will be doing is giving the lender a free ride to make a $20 million profit on a $22 million loan in less than 3 months and watch history unfold, while we take all of the heat from the deal ourselves.

We are looking for a lender with some imagination and courage, who wants to be able to reap 20% of the profits in a very short period of time by simply lending us money for a very undervalued company. Please let us know if you are interested as soon as possible as we intend to buy all of our stock and options and make our public bear hug offer for the Company in February. We trust that you will not buy stock or options in ALEPH or tell anyone about this deal other than those who are directly involved in it with your firm - as per Securities & Exchange Commission laws. Thank you.

Sincerely,

Theodore Roxford, Partner
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